



Arizona Network

AZNet



AZNet an Overview
July 2008



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Contract Overview

■ Background...the RFP

- The solicitation, and resultant contract, are the result of a Legislative Directive: Chapter 263, 1st Regular session, 46th Legislature, Laws of 2003, Section 101, HB 2533
 - “Provide for a scalable, centralized statewide voice, video and data converged solution pursuant to the GITA target architecture that will streamline state agency communications and enable other services such as state government N11 abbreviated dialing”

Arizona State Legislature – the Statute

41-712. Telecommunications program office; state contractor; cost of operation; employees; report

- “The director shall establish a telecommunications program office within the department to enter into a primary contract with a corporation authorized to do business in this state for the contractor to provide for the installation and maintenance of telecommunication systems and to act as the state's agent for telecommunication carrier services to the offices, departments and agencies of this state. **Each office, department and agency of this state shall contract with the primary contractor through the telecommunications program office and make payment to the primary contractor for its telecommunications needs.** The department shall submit for review by the joint legislative budget committee its initial contractor and carrier cost rate structure by agency and fund type and shall submit a request for review to the joint legislative budget committee for each subsequent rate structure modification.”



Contract Overview

- **Goals and Objectives for Telecommunications Services**
 - Upgrade statewide networks and supporting technologies
 - Consolidate disparate networks
 - Consolidate business processes
 - Improve service levels
 - Improve network security
 - Develop and implement a statewide business continuity and disaster recovery program



Contract Overview - continued

■ **Scope of Services**

- Operate, manage and maintain State telecommunications voice and wide area network (WAN) assets and services
- Acquire, operate and maintain new assets and services, as needed, to meet the State's service level requirements
- Transition and support all former Arizona Telecommunications Systems (ATS) customers and all state government agencies

■ **Out of Scope**

- Level 1 Helpdesk
- Local Area Network (LAN) servers, hardware and applications
- End user workstations, peripherals and equipment
- Web Hosting
- Web email
- Mobile services (PDAs, pagers and cell phones)
- Mainframe assets and operations
- Building wiring
- Online directory



Contract Overview - continued

■ Contract Highlights

- Awarded January 21, 2005 to Accenture
 - The Accenture team includes Calence and Black Box (formerly Nextira One)
- Initial five-year term with two optional 2-year extensions
 - January 2006 – Amendment 2 extended the contract for two years
- Total Contract value, including carrier costs, is approximately \$200 Million over the initial five-year term



Benefits to the State

- **Significant investment in a new consolidated, converged, statewide, backbone network**
 - Increased bandwidth, speed, resiliency and security will be delivered on the shared network using Multi Protocol Layered Switching (MPLS)
 - In-state long distance costs will be reduced by implementing Voice over Internet Protocol (VoIP) capabilities on the Wide Area Network (WAN)
 - Shared infrastructure or “clusters” will be built to support 22K new Internet Protocol Telephony (IPT) seats
- **Improved operational capabilities**
 - 7x24 hour monitoring of WAN and security equipment, PBXs and IPT servers
 - Support Desk Hours: 7 a.m. – 5 p.m. – after hours support begins at 5 p.m.
 - SLAs with penalties
- **Centralized security upgrades**
 - Agency data security will be improved by installing new equipment between agencies and the Internet:
 - New firewalls and Intrusion Detection (IDS) blades for the core network
 - Extranet security
 - Internet access gateways
 - Access/authentication
 - Security tools



Benefits to the State - continued

- **Predictable pricing**
 - Standardized seat-based prices
- **State of the art billing tools and processes**
 - All in-scope telecommunications bills consolidated onto a single agency invoice
 - Web-based billing tool that is easy to use and provides:
 - Agency specific billing information with drill-down capabilities
 - Automated internal bill approval capabilities
 - Online history of bills and related activities
 - The ability to upload data into Excel for analysis
 - Telecom Expense Management (TEM) for improved bill accuracy and reduced billing process complexity:
 - Accenture is the State's agent for all carrier bills
 - All bills are automatically validated before appearing on an invoice and show:
 - Changes from the previous bill
 - Applicable contract and tariff rates
 - Applicable taxes and surcharges
 - Third party charges
 - Disputes are opened with carrier as identified



Benefits to the State - continued

Annual Operating Plan

- **Updates and defines the architecture and engineering plan to migrate the State of Arizona network infrastructure to a secure, converged and cost effective infrastructure**
 - Supports the business needs and requirements of the enterprise and those of the individual agency

AZNet IP Address & Security Committee - meets every other Monday

- **Responsible for the creation and approval of statewide policies:**
 - Firewall Policy
 - Extranet Policy
 - IP Address Policy
 - Wireless Policy



Contract Oversight

Telecommunications Program Office (TPO) – Provides **AZNet Oversight**

– The TPO staff manages the contract and the contractor in the following areas:

- Contract performance
- Operational performance
- Projects
- Investment Infrastructure and Carrier Savings

TPO is the escalation point if you have contractor performance issues.

- **AZNet provides updates to the Steering Committee and the CIO (Chief Information Officer) Council monthly**



Accomplishments to Date

- Transition of state agencies to *AZNet* program complete
- Completed over \$6 Million in technology upgrade projects
- Developed a new online proposal and project portfolio management system
- Implemented the new billing system, BillPort
- Awarded Carrier Services Contract – January 2006
- Completed architectural plans for the new statewide converged network with centralized security
- Deployed Asset Management System
- Operational performance continues to meet SLAs
- Completed the Annual Operating Plans for FY 2010



Key Phases

■ Key Phases

- **Transition: March 2005 through March 2006 - Complete**
 - Current agency telecommunications services moved to Accenture operations, support, management and billing
 - This was not a technology upgrade
 - AZNet team worked with each agency approximately 3-4 months prior to the transition of service to gather the appropriate information
- **Transformation: Ongoing**
 - Upgrade of the core network
 - High-speed core backbone
 - VoIP on converged WAN circuits
 - IPT clusters
 - Centralized security
- **Migration: Post transformation; throughout the contract term**
 - Upgrading agency telecommunications services onto the transformed network



Definitions

■ **Seat**

- Basic service and pricing unit
- Types of seats:
 - Limited: single line phone without buttons
 - Basic: multi-button phone, single or multi-line, without display or hands-free
 - Executive: display and/or hands-free phone
 - Operator: receptionist/operator position or set with 22-button add-on module
 - Call Center Basic: call agent that does not use IVR and/or screen pop functionality
 - Call Center Enhanced: call agent that uses IVR and/or screen pop functionality
 - Call Center Supervisor: supervisor that manages other agents and/or requests reports

■ **MAC**

- Move, Add, Change of voice telecommunications equipment
 - Hard MAC requires technician dispatch
 - Soft MAC applies only to voice and security changes that can be done remotely
 - Time and Material MAC for AZNet labor charges that are not covered by the MAC allowance

■ **MAC Allowance**

- The number of hard and soft MACs included in the seat price
 - Option 1: One Soft MAC for each seat annually and hard MACs equal to 20% of seats
 - Option 2: Soft MACs equal to 15% and hard MACs equal to 35% of total seats
- 25 or fewer hard and/or soft MAC activity units on the same ticket are covered by the MAC allowance
- More than 25 hard and/or soft MAC activity units on the same ticket are not covered by the MAC allowance and are billable

■ **MAC Allowance Projection Report**

- A daily MAC projection report to help agencies manage MAC allowance can be found at www.tpo.az.gov

Definitions - continued

■ Zone

- Geographic locations used as a basis for service level agreements and dispatching costs
 - Zone A: within 5 miles of the following “central sites”
 - Phoenix: 1700 W. Washington St.
 - Tucson: 400 W. Congress St.
 - Yuma: 7125 E. Juan Sanchez Blvd.
 - Flagstaff: 1100 W. Kaibab Ln.
 - Zone B: within 60 miles of a central site
 - Zone C: within 100 miles of a central site
 - Zone D: more than 100 miles from a central site

■ Projects

- Project Types:
 - Change Account Management (CAM): Small agency-specific telecommunications projects that do not require complex engineering or a PIJ
 - Demand Management (DMT): Large, complex agency-specific telecommunications projects that do require complex engineering or a PIJ
 - Examples include move to a new building or upgrade / replacement of existing telecommunications equipment
 - Infrastructure Investment Charge (IIC): Enterprise telecommunications infrastructure improvement projects
- Solutions are designed, installed and managed by *AZNet*
- *AZNet* management will assess the request and determine its classification



Pricing

- **Seat charge (non-call center) includes:**
 - Equipment monitoring
 - Repairs with SLAs
 - MACs (within allowance)
 - Investment in the statewide network upgrade and build out
 - Equipment maintenance
 - Telecom Expense Management
- **Does not include:**
 - Carrier charges
 - Ala Carte services
 - DMT Projects
 - Big MAC Projects
 - Security and Data Time and Materials work
 - Other Time and Materials
- **MACs exceeding the allowance:**
 - Soft MACs are \$16
 - Hard MACs are \$85
 - Travel charges could apply in Zones C and D



Service Level Agreements (SLAs)

- **Service Levels are measured at the State, not agency, level**
 - Types of SLAs
 - Type 1 SLAs are in effect with penalties at contract start; measures operational performance in two key areas:
 - Cycle time to process and complete MACs
 - Mean time to repair
 - Type 2 SLAs measure system wide performance of the network; these SLAs will be phased in over time
- **SLA credits apply when the service level is missed, measured at the state level**
 - Types of SLA credits
 - Per-incident or percentage of monthly service charges
 - Credits will appear on the monthly *AZNet* invoice



Service Level Building Blocks

■ Tiers

- Four tiers have been established to identify service level expectations based upon the type of equipment and up-time requirements
 - 1 – Includes core infrastructure facilities i.e., data centers, call centers and mall environments. Tier 1 site addresses are specifically identified in the contract
 - 2 – Equipment located in the primary or branch facility that provides voice and data or call center services
 - 3 – Equipment located in a branch location that provides voice and data services to 50 people or less
 - 4 – End user appliances i.e., phones

■ Severities

- Three severity levels have been created to define service degradation/outage impacts and to prioritize repairs
 - **1 or Critical:** The entire site is unable to perform critical business functions defined in the Business Continuity/Disaster Recovery Plan or directly impacts the ability to provide critical services to the public
 - **2 or Major:** A site's ability to perform mission critical work is in jeopardy
 - **3 or Minor:** A problem exists but the site can perform business operations



Key Service Levels

Network Availability Service Levels				
	Tier 1	Tier 2	Tier 3	Tier 4
Service Level Commitment	99.999% availability, 7x24	99.99% availability, 7x24	99.95% availability, 7x24	98% availability 7x24
Per Incident Credit	2% of monthly total service fees	10% of affected seats monthly service fees	5% of affected seats monthly service fees	2% of affected seats monthly service fees
Response and Repair Service Levels				
	Severity Level 1	Severity Level 2	Severity Level 3	Site Chronic *
Service Level Commitment	Mean time to repair within 4-10 hours depending on location	Mean time to repair within 6-10 hours depending on location	Mean time to repair within 24-30 hours depending on location	3 or more related Severity Level 1 or 2 outages within one month for same Site
Per Incident Credit	\$750	\$450	\$100	15% of affected seats monthly service fees
Cumulative System Performance Service Levels				
	Cumulative Severity 1 Trouble Tickets	Cumulative Severity 2 Trouble Tickets	System Tier 1 Availability	Service Request Completion *
Service Level Commitment	95% of Severity 1 Trouble Tickets on time over most recent 3 month period	95% of Severity 2 Trouble Tickets resolved on time over most recent 3 month period	99.999% availability of Tier 1 over most recent 3 month period	95% on-time completion of Service Requests for the preceding 3 months
Per Incident Credit	10% of total monthly service fees	10% of total monthly service fees	10% of total monthly service fees	10% of total monthly service fees



Projects

- **All telecommunications projects are performed through AZNet**
- **Project classifications**
 - Change Account Management (CAM): Small agency-specific telecommunications projects that do not require complex engineering or a PIJ
 - Demand Management (DMT): Large, complex agency-specific telecommunications projects that do require complex engineering or a PIJ
 - Infrastructure Investment Charge (IIC): Enterprise infrastructure improvement projects
- **Project process**
 - Call or email the Support Desk with your project request
 - AZNet management will assess the request and determine its classification
 - CAM projects:
 - Due date and price will be quoted
 - MAC allocation does not apply to projects
 - All work is performed with AZNet operations personnel
 - Charges will appear on the monthly AZNet/BillPort invoice following work ticket completion and agency acceptance
 - DMT and IIC projects
 - Business requirements will be collected and entered into the project management tool
 - Quote will be prepared for customer approval
 - PIJ process is streamlined and prepared for the customer
 - Equipment will be ordered, project managed and installed by AZNet project personnel
 - Charges will appear on a separate AZNet invoice following installation and customer acceptance



Billing

- **BillPort**
 - Online billing system that creates agency specific invoices with drill-down capabilities
 - Invoices include the following charges:
 - Monthly seat and per occurrence services
 - Carrier pass-through
 - One time costs: MACs overage, CAM projects
 - TPO Operating Expense
 - AZNet network
- **Bill Payment Cycle**
 - Accenture acts as an “agent” for payment and disputes
 - Day 0: Carrier invoice(s) received by Accenture
 - 10 days: Carrier services, as billed, put through Telecom Expense Management processing and agency online invoice creation
 - Day 10: Email notification of invoice availability sent to authorized agency personnel for review and payment
 - ***20 days allocated for agency payment cycle to ensure carrier late fees are not incurred***
- **2% Discount for Early Payment**
 - An early payment discount of 2% off amounts due to Accenture when full payment is received within Net 15 Days of invoice availability
 - Carrier, TPO and AZNet network charges are not eligible for discount



AZNet Support Desk

The state-operated AZNet Support Desk provides 1st Tier WAN, Security and Telecommunications support for all state agencies – Monitors all requests and activities for the contractor:

Processes Remedy Tickets for:

- MAC (Moves, Adds and Changes) orders - circuits, phone, router/firewall, VPN, Symposium, Call Centers, IVR/IVDR, IP Telephony and calling cards
- Requests for Information – billing, quotes and requests for information

Provides “password reset” VPN/Voice Mail

- Processes repair tickets - circuits, phone, router/firewall, VPN, Symposium, Call Centers, IVR/IVDR, IP Telephony and calling cards

If you are not satisfied with the ticket progress, the AZNet Support Desk will escalate your issue to ensure your issue is addressed

The AZNet Support Desk hours are from 7 a.m. – 5 p.m. with after hours support beginning at 5 p.m. and can be reached at:
AZNETSUPPORTDESK@AZDOA.GOV, 602-364-4444 or go to the TPO/AZNet website: TPO.AZ.GOV



Contact Information

- **Support Desk: 602-364-4444 or AZNETSUPPORTDESK@AZDOA.GOV**
 - MAC orders
 - Report repairs
 - Project requests
 - Billing questions, inquiries and disputes
 - Circuit orders
- **Other questions or issues:**
 - TPO Director: Pat Mah, 602-364-0558
 - Operations: John Rodi, 602-364-2071
 - Billing: AZNet Support Desk, 602-364-4444
- **WWW.TPO.AZ.GOV website contains current information**
 - FAQs
 - Scorecards
 - Engineering Designs
 - AZNet Support Desk